

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6652

BILL NUMBER: SB 314

NOTE PREPARED: Dec 23, 2008

BILL AMENDED:

SUBJECT: State Economic Development Incentives.

FIRST AUTHOR: Sen. Errington

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that certain state economic development entities may not provide specified economic development incentives after June 30, 2009, to or for an employer unless the employer agrees and certifies to that effect that the employer will not, solely because of the location of an individual's residence within Indiana, prohibit the individual from applying for employment with the employer. It specifies that if a state economic development entity determines after a public hearing that an employer has violated this provision, the employer forfeits the economic development incentive and must repay to the state any part of the economic development incentive that has been provided to the employer.

Effective Date: Upon passage.

Explanation of State Expenditures: *State Economic Development Entities:* This bill includes the following in its definition of "state economic development entities": Indiana Economic Development Corporation (IEDC); Indiana Finance Authority (IFA); Office of the Lieutenant Governor; Indiana Office of Tourism Development (IOTD); and the Department of State Revenue (DOR). Any of these entities may be involved in public hearings if employers violate this bill's provisions, and their current level of resources should be sufficient to implement this change.

Background Information - This bill provides that employers receiving economic development incentives must agree not to prohibit individuals from applying for employment based on residence. If the above entities determine that this provision has been violated, the employer loses the economic development incentive and must repay to the state any portion that has been provided.

Explanation of State Revenues: The total impact of this legislation on state revenues is indeterminable. This bill could potentially reduce the number of companies that may choose to relocate their facilities to Indiana. The bill's provisions could also reduce the number of economic development incentives given to companies if their hiring practices are noncompliant.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IEDC; IFA; Office of the Lieutenant Governor; IOTD; DOR.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Jessica Harmon, 317-232-9854.